FINANCE

OVERVIEW

MISSION

The mission of the Department of Finance is to foster an environment for stable, effective and efficient government by:

1. Acquiring and managing the necessary financial resources to ensure delivery of programs and services to residents in an affordable, sustainable and accountable manner.
2. Maintaining a fair and stable taxation regime that meets the needs of individuals and businesses, supports a strong economy, and is responsive to economic, social and environmental matters.
3. Managing the information resources of the government.
4. Regulating liquor sales, distribution and consumption

GOALS

1. A strong sustainable financial position for the Government of the Northwest Territories.
2. The fiscal regime of the Northwest Territories supports a stable political environment and a strong economy that is able to address key social, economic and environmental initiatives.
3. The Government has the fiscal and financial information and analysis necessary to support policy development and decision making.
4. The Government's assets and liabilities are managed effectively.
5. Government is organized for maximum efficiency.
6. The Department is responsive to client needs.
7. Public confidence in the prudence and integrity of the Government of the Northwest Territories is maintained through a financially open and accountable government.

PROPOSED BUDGET

Compensation & Benefits	$12,012,000
Grants & Contributions	47,953,000
Other O&M	9,465,000
Amortization	196,000
Infrastructure Investment	5,152,000
Liquor Revolving Fund Authorized Limit	6,500,000

PROPOSED POSITIONS

Headquarters (HQ)	98 positions
Regional/Other Communities	9 positions
Regional/Other Communities - Liquor Revolving Fund	13 positions

KEY ACTIVITIES

Deputy Minister's Office
Fiscal Policy
Budget, Treasury and Debt Management
Office of the Comptroller General
Office of the Chief Information Officer

STRATEGIC ACTIONS

The Department will take the following actions in support of the government strategic initiatives:

Refocusing Government

Strengthen Service Delivery

- Stabilize GNWT support to Non-Government Organizations through the development of a funding policy.
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- Renewal of the Knowledge Management Strategy.

Manage the Costs of Government

- Examine current duty travel policy directives to ensure they are clear and usable to properly control, monitor and report on GNWT travel.

EMERGING ISSUES

Economic Environment

The NWT economy has grown strongly since 1999 which has positively affected income levels in the NWT. Labour income has increased by about 75 per cent since Division, while the number of residents on income support in smaller communities has declined from almost 15 per cent in 1999 to less than 8 per cent in 2007. The NWT labour market is currently operating at close to full capacity. The employment rate in smaller communities continues to improve, although it is still lower than in Yellowknife or the regional centres.

Although economic conditions are uncertain, continued strong economic growth will place pressure on a tight labour market and the NWT's industrial and social infrastructure. Significant economic benefits would be realized should the Mackenzie Valley Pipeline proceed, with an expected start-up date of 2014. Pressure on the territorial economy would intensify, possibly leading to wage inflation and crowding out other opportunities such as mining, tourism, forestry, fishing, fur harvesting and hydro-electricity. However, the rapid growth experienced in recent years has not been matched by population growth as the NWT population grew by 6.5 per cent between 1999 and 2008, compared to Gross Domestic Product (GDP) growth of 83 per cent.

The outlook for the NWT economy over the next ten years is good, although recent fluctuations in global capital markets may have an impact in the short term. Recent turmoil in world financial markets may affect the pace of development for two reasons. First, many commodity prices, including oil, gas, and metals, have fallen significantly from recent peaks. Secondly, financing is becoming more difficult, both for resource companies and for other businesses.

Fiscal Environment

GNWT revenues are expected to grow by about 4.3 per cent per year over the Business Planning period. The GNWT will continue to rely on federal transfers for the bulk of its revenues. However, demand for programs and services continue to place pressure on expenditures. Spending has grown by an average of 6.8 per cent a year since 2000-01.

The Government has adopted a fiscal strategy which will align spending growth with anticipated revenue growth while allowing for investment in priority areas, including infrastructure. To achieve this, forced growth will be capped at 3 per cent a year, not including compensation and benefits, and government spending programs and policies will be reviewed to find efficiencies. During 2008-09, revenues options will be reviewed with the goal of identifying $10 million in additional revenues in 2009-10 and a further $30 million in 2010-11.

Federal legislation was established in 2007 which describes the formula used to calculate the Territorial Formula Financing Grant for the term of this Business Plan. While the level of the Grant will be more certain under the new formula, tax revenues will continue to fluctuate. Although the Grant will change to offset most of any revenue fluctuations, it will no longer do so immediately, as was previously the case. Future fluctuations in tax revenues will affect the Grant two to four years after they are first felt.

The GNWT continues to discuss devolution with Canada and Aboriginal governments. If an agreement is signed, the GNWT and Aboriginal governments will get more revenue, along with increased responsibilities for resource management. While negotiations will likely occur throughout the business planning period, the transfer of program authority and revenues is not likely to occur during the business planning period.

The GNWT, Canada, and some Aboriginal groups are currently discussing self-government agreements. If such agreements are signed, they may include provisions for transferring GNWT expenditures and some tax room to future Aboriginal governments. The Department provides support at negotiating tables in negotiating agreements, in particular with respect to taxation jurisdiction and financial transfer matters.

Resource Development

The GNWT is expected to continue to collect most of its tax revenue from resource companies and activities generated by resource development, including the diamond mines and Norman Wells oil field. Activity from new mines, including De Beers' Gahcho Kué diamond mine and from a possible Mackenzie Valley pipeline, may start during the period, but is not likely to generate significant tax revenue over the next four years.

Human Resource Environment

The Department will strive for a smooth transition with the amalgamation of the Department of Finance with the Financial Management Board Secretariat. Change management, staff retention, staff morale, and recruitment will be areas of focus to address the effects of the amalgamation on staff.

Program Cost Drivers

Interest Rates

Despite uncertainty in the international credit markets, interest rates in Canada will likely remain low for the beginning quarters of the Business Plan Period, increasing during the final two years of the four year planning period.

Most economists suggest Canada is now in a recession, and there are different views about its expected duration. Some economists predict a mild recession, while others suggest there will be a severe global recession, lasting as long as 18 – 24 months.

The Department of Finance is currently projecting that the GNWT will have to resume short-term borrowing in order to meet operational requirements in late 2009. Higher interest rates will increase borrowing costs.

Insurance

The recent turmoil in the financial markets is expected to have a negative effect on the insurance market. Borrowing has become more difficult for underwriters. Capacity is shrinking, and it is anticipated that there will be pressure to increase rates. Quantifying the effects is difficult as this is an emerging issue.

Territorial Power Subsidy Program

The changing world market price of oil will have an effect on the Territorial Power Subsidy Program. However, the impact and the timing of the impact on the subsidy program are dependent on the rate setting process and how the utilities companies recover their costs.

It has been estimated by the NWT Power Corporation that 30-40 per cent of the Corporation's revenue requirement is due to fuel. Increases in the market fuel prices are not necessarily recovered from customers in the same period. An increase of $1US/barrel in oil does not necessarily mean community rates will change; it could be a full fiscal year or longer before this increase is passed onto customers.

FISCAL POSITION AND BUDGET

Departmental Summary

	Proposed Main Estimates 2009-2010	Main Estimates 2008-2009	Revised Estimates 2007-2008	Main Estimates 2007-2008
		($000)		
OPERATIONS EXPENSE				
Deputy Minister's Office	41,393	56,947	58,513	56,006
Fiscal Policy	1,201	1,201	1,244	1,244
Budget, Treasury and Debt Management	9,668	9,862	10,381	10,389
Office of the Comptroller General	16,067	14,256	16,712	12,750
Office of the Chief Information Officer	1,297	837	908	908
TOTAL OPERATIONS EXPENSE	**69,626**	**83,103**	**87,758**	**81,297**
REVENUES	**1,173,082**	**1,097,233**	**1,171,238**	**1,120,863**
LIQUOR REVOLVING FUND				
Income	28,522	27,386	26,297	26,297
Expenses	5,643	4,955	4,736	4,736
SURPLUS	**22,879**	**22,431**	**21,561**	**21,561**

Operation Expense Summary

	Main Estimates 2008-2009	Sunsets and Other Approved Adjustments	Reductions	Forced Growth	Initiatives	Internal Reallocation of Resources	Proposed Budget 2009-2010
				($000)			
Deouty Minister's Office							
Deputy Minister's Office	1,024	-	-	-	-	(300)	724
Policy & Planning	1,609	-	(116)	-	-	-	1,493
Contribution to NWT Housing Corp	52,512	(18,782)	(1,508)	504	4,094	-	36,820
Financial Services	1,802	554	-	-	-	-	2,356
Total Activity	56,947	(18,228)	(1,624)	504	4,094	(300)	41,393
Fiscal Policy							
Fiscal Policy	1,201	-	-	-	-	-	1,201
Total Activity	1,201	-	-	-	-	-	1,201
Budget, Treasury and Debt Management							
Deputy Secretary	-	-	-	-	-	150	150
Management Board Secretariat	1,579	(254)	-	-	-	-	1,325
Treasury							
Management, Banking and Insurance	7,280	-	-	25	-	-	7,305
Tax Administration	1,003	(115)	-	-	-	-	888
Total Activity	9,862	(369)	-	25	-	150	9,668
Office of the Comptroller General							
Comptroller General	-	-	-	-	-	150	150
Internal Audit	1,429	-	-	-	-	-	1,429
Accounting Services							
Management	405	-	-	-	-	-	405
Financial Policy & Systems	1,303	-	(61)	522	-	-	1,764
Territorial Power Subsidy Program	9,885	-	-	1,200	-	-	11,085
Financial Reporting and Collections	1,038	-	-	-	-	-	1,038
Amortization	196	-	-	-	-	-	196
Total Activity	14,256	-	(61)	1,722	-	150	16,067
Office of the Chief Information Officer							
CIO	837	60	-	100	300	-	1,297
Total Activity	837	60	-	100	300	-	1,297
TOTAL DEPARTMENT	83,103	(18,537)	(1,685)	2,351	4,394	-	69,626

Revenue Summary

	Proposed Main Estimates 2009-2010	Proposed Revised Main Estimates 2008-2009	Main Estimates 2008-2009	Revised Estimates 2007-2008	Main Estimates 2007-2008
			($000)		
GRANT FROM CANADA	**847,297**	**804,858**	**804,858**	**842,750**	**763,522**
TRANSFER PAYMENTS					
Canada Health Transfer	26,639	32,392	20,424	23,979	24,127
Canada Social Transfer	14,142	14,775	13,651	15,926	9,295
EcoTrust	-	-	-	5,000	-
Community Development Trust	-	4,200	4,200	-	-
Northern Housing Trust	-	-	-	-	16,250
Affordable Housing Trust	-	-	-	1,080	-
	40,781	**51,367**	**38,275**	**45,985**	**49,672**
TAXATION REVENUES					
Personal Income Tax	69,880	77,850	65,154	50,019	72,395
Corporate Income Tax	89,712	72,434	64,287	104,890	119,141
Tobacco Tax	14,720	14,672	14,090	14,624	14,295
Fuel Tax	17,487	17,224	18,790	20,305	19,092
Payroll Tax	39,430	38,687	37,694	36,740	31,171
Property Taxes and School Levies	21,326	20,924	19,734	19,489	17,864
Basic Insurance Premium Tax	3,290	3,290	3,290	3,315	3,090
Fire Insurance Premium Tax	210	210	210	243	210
	256,055	**245,291**	**223,258**	**249,625**	**277,258**
GENERAL REVENUES					
Liquor Revenue	22,879	22,431	22,431	21,561	21,561
Trust Interest	-	-	-	1,937	4,542
Investment Interest	1,700	4,000	4,000	4,906	200
Insurance License Fees	240	225	225	230	220
Housing - Interest	2	2	2	2	2
NSF Handling Fees	4	4	4	4	4
Debt Settlement	48	62	62	77	77
Loan Repayment	271	287	287	298	-
	25,144	**27,011**	**27,011**	**29,015**	**26,606**
OTHER RECOVERIES					
Power Subsidy Dividend	3,500	3,500	3,500	3,500	3,500
Insured and Third Party Recoveries	60	60	60	33	60
Investment Pool Cost Recoveries	245	260	260	319	245
Property Tax Administrator Fees	-	11	11	11	-
	3,805	**3,831**	**3,831**	**3,863**	**3,805**
GRANTS IN KIND	-	-	-	-	-
CAPITAL					
Deferred Capital Contributions	-	-	-		-
Other	-	-	-		-
	-	-	-	-	-
TOTAL REVENUES	**1,173,082**	**1,132,358**	**1,097,233**	**1,171,238**	**1,120,863**

DEPUTY MINISTER'S OFFICE

Description

The Deputy Minister's Office includes the Office of the Deputy Minister/Secretary of the Financial Management Board, the Policy and Planning Branch and the Financial Services Branch. The duties and responsibilities of the Deputy Minister of Finance/Secretary of the Financial Management Board are conducted as described in the *Financial Administration Act* (FAA). In addition, this Branch directs the support of the Financial Management Board and provides financial and administrative leadership for the Government of the Northwest Territories.

The Policy and Planning Branch is responsible for developing and maintaining departmental policies, the department's budget management program, records management program, the provision of information systems and information management support to the department and coordinating the department's involvement in the self-government and devolution processes.

The Financial Services Branch is responsible for providing a full suite of providing expenditure management services to the Departments of Finance, Executive, Human Resources and Aboriginal and Intergovernmental Relations.

Major Program and Service Initiatives 2009/10

Northern Employee Benefits Services Pension Plan
Implement solutions to the governance and regulatory issues affecting the pension plan.

Financial Administration Act
Legislative proposal process completed, legislative drafting instructions completed, new and amended FAA regulations and drafting instructions competed and the drafting of the legislation completed.

Four Year Business Plan Update

Results to Date

Public-Private Partnerships (P3s)
Direction was provided to review and update the existing policy and guidelines ensuring that the review clearly establishes the objectives of the GNWT in its use of P3s.

Detailed research into the practices of the Governments of British Columbia and Alberta has been conducted by the Department of Finance. The research has identified best practices that may be applicable to the existing policy of the GNWT within the context of issues raised by the Auditor General and in an evaluation conducted in 2001.

Northern Employee Benefits Services Pension Plan (NEBS)
A report has been drafted that focuses on specific governance and regulatory issues:

- options for registering the Pension Plan with the Office of the Superintendent of Financial Institutions under the Pension Benefits Standards Act (PBSA),
- the implications of splitting the existing Pension Plan into separate NWT and Nunavut pension plans,
- the respective policy and strategic directions of the two Governments and NEBS with respect to finding solutions to the issues affecting the NEBS pension plan, and

- the interim actions the two governments can take while the options are being reviewed. A legislative proposal to provide specific interim arrangements for the pension plan has been prepared, and the subsequent legislation is being drafted for introduction during the February 2009 sitting of the Legislative Assembly.

Financial Administration Act

A detailed workplan and implementation and communication strategy has been finalized and work began on its implementation in August 2008. Current project tasks that have been completed include: the review of previous work to assess relevance and identify further steps required, revisit best practices of other jurisdictions, and engage Deputy Ministers and other senior GNWT staff through consultations. Work currently underway includes the development of a legislative proposal by December 2008.

Finance Reorganization

An organizational redesign for the Department of Finance has been completed that provides a single department within the GNWT with the responsibility for the financial, fiscal and economic policy of the government and stewardship over all public funds. In addition to the functional responsibilities of the Financial Management Board Secretariat, the financial shared services responsibilities that were maintained in the Department of the Executive have been amalgamated within the new Department of Finance. The Liquor Licensing Board and Liquor Commission remains in the Department of Finance. The Program Evaluation unit has been placed with the Department of the Executive to support the ongoing operations and objectives of the Program Review Office.

Implementation activities underway include the development of an office plan, the finalization of a new establishment policy and a new strategic plan for the Department of Finance, and the presentation of the new structure in both the 2009-10 Business Plans and the Main Estimates.

KEY ACTIVITY 1: FISCAL POLICY

Description

Fiscal Policy is responsible for providing research, analysis and recommendations on the fiscal policies of the government; monitoring economic conditions as they affect the government's fiscal position; providing macroeconomic research and policy advice; providing analysis and advice on Canadian and NWT tax policies; monitoring and advising on intergovernmental fiscal relations; and preparing the annual budget address. The division also provides technical support for the Minister and Deputy Minister of Finance in federal-provincial-territorial discussions and represents the GNWT on intergovernmental Finance committees.

Major Program and Service Initiatives 2009/10

In 2009-10 the Department will develop proposals for revenue initiatives. Policy development of any new revenue initiatives will be done using existing resources.

The Department is developing an implementation strategy for use of the Macroeconomic Policy Framework. The implementation strategy includes the following elements: preparation of the 2008 report of the Indicators of Progress as specified in the Framework; formal inclusion of the Framework's investment criteria; the Management Board Secretariat's submission process; and increased awareness of the Framework within the GNWT agencies. The Department will also monitor the use of the investment criteria with a view towards making recommendations for revision and/or clarification of the criteria. In addition, the Department will assess the availability of information required for the documentation of the Indicators of Progress and make appropriate recommendations.

Devolution negotiations will likely continue in the next four years. Work will be done using existing resources.

Self-government negotiations will continue over the next four years. The Division will assist in financial negotiations surrounding tax sharing and funding Aboriginal governments.

Four Year Business Plan Update

Results to Date

In the summer of 2008 the Department issued two consultation documents on Revenue Options for the NWT. In September 2008, a roundtable meeting was held with representatives of various interest groups in the NWT. The results of these consultations will be used to guide government decisions for the 2009-10 Budget.

Measures Reporting

Measure 1 – Revenue Forecasts

Regular forecasts of revenues have been prepared. Corporate income tax revenues continue to be volatile and therefore difficult to forecast, however the department is working with the Canada Revenue Agency to improve ongoing reporting.

Measure 2 – Financial Issues Surrounding Self-Government and Devolution

Both Self-Government and Devolution negotiations have been progressing. Analysis of the federal offer on Net Fiscal Benefit was undertaken.

Measure 3 – Macroeconomic Policy Framework

Work continues on the changes to the investment criteria of the Macroeconomic Policy Framework.

KEY ACTIVITY 2: BUDGET, TREASURY AND DEBT MANAGEMENT

Description

The Budget, Treasury and Debt Management Branch is responsible for the management of the government's financial resources to ensure that public funds are properly budgeted and monitored, that the return on investments is maximized, and the government's cash and debt management costs are minimized within required risk parameters. The branch is also responsible for managing the operations of the Financial Management Board (FMB), licensing and regulating insurance companies, agents, brokers and adjusters operating in the NWT, and administering legislated tax programs.

Major Program and Service Initiatives 2009/10

Budget Development

Support in the implementation of recommendations made by the Ministerial Sub-committee on Infrastructure on the capital planning process. For 2009-10, this includes the initiation of a Peer Review Committee to assess proposed capital projects and their estimated costs; and development of a mechanism to approve multi-year appropriations for capital projects.

Vacancy Reporting - to better assess vacancy management across the GNWT, develop a process to report and assess departmental vacancies on a regular basis.

Four Year Business Plan Update

Results to Date

Budget Development

Capital Planning Process – the 2009-10 Capital Estimates were tabled during the Fall Session of the Legislative Assembly. The approval of the Capital Estimates during the Fall Session was in response to a recommendation made by the Ministerial Sub-committee on Infrastructure to allow for better planning for both the GNWT and contractors. The earlier approval will mean the tendering process can begin earlier, thus allowing contractors to fit projects into their schedule and encouraging more bidders.

To date, the 2008-09 fiscal period has seen a significant reduction to new supplementary requests that impact the supplementary reserve from previous years. After the 2008-09 Supplementary Appropriation No. 2, $3 million of the supplementary reserve has not been used

Measures Reporting

Measure 1 Financial Management Board Submissions

Since April 2008 the following documents have been reviewed:

- 74 Decision Items
- 2 other Record of Decisions
- 1 Information Item

Measure 2 – Accurate Replacement Values for Government Assets

A new replacement value appraisal program will be completed for Petroleum Products Division tank farms in 16 communities. The appraisal program for GNWT assets valued between $1,000,000 and $2,000,000 will be continued.

Measure 3 – Minimized Banking, Investment, and Borrowing Costs

A Borrowing Plan will be developed detailing options and preferred choices for funding at minimum cost the short and long-term borrowing requirements of the GNWT.

Measure 4 – Increased Tax Assessments

Following the addition in 2008 of all unregistered employers to the Payroll Tax database through comparison with the Worker's Safety and Compensation Commission listing of employers, all employers not remitting Payroll Tax will be assessed.

KEY ACTIVITY 3: OFFICE OF THE COMPTROLLER GENERAL

Description

The Office of the Comptroller General is responsible for control of the administration of the consolidated revenue fund with respect to the receipt and payment of public money, accounting policy, the financial records of the GNWT, reporting responsibilities, financial analysis, advice and interpretation, internal auditing and related matters.

Internal Audit provides an independent, objective assurance and consulting service to improve the GNWT's operations by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

Accounting services is responsible for the development of corporate accounting procedures and policies, administration and integrity of the government's financial information system, revenue, accounts receivable and accounts payable functions, making territorial power subsidy payments, management of the environmental liability fund, external financing reporting, and providing collections and credit granting functions.

Major Program and Service Initiatives 2009/10

During 2009, the replacement of the financial information system will be completed, including all user training. Ongoing system and user support services will be put in place.

Financial Administration Policies will be reviewed and revised as required to support the implementation of a new financial system and the revised *Financial Administration Act*.

Module 1 of Financial Training will be fully deployed with an ongoing training stream for new employees maintained through the use of a train-the-trainer approach. The initial design of training for program managers will be implemented.

Implementation plans for a financial shared services model will be developed which will include government structure, service level agreements, resource implications and an implementation schedule.

Four Year Business Plan Update

Results to Date

The financial information system replacement project has begun with the selection and purchase of the software and hardware, completion of the final design and work has begun to configure and implement the system. Due to escalating costs, the scope and budget have been revised.

Module 1 of the Financial Training program has been developed and training of GNWT financial staff is underway.

Measures Reporting

Internal Audit

Measure 1 – Comprehensive and systematic audit program

The Audit Committee met three times during the 2007-08 fiscal year.

Measure 2 – Audit time on direct audits, unscheduled audits and professional development

For 2007-08, total available hours were allocated as follows:

- 41% operational audits
- 19 % unscheduled audits
- 19% other indirect hours
- 11% Professional Development hours
- 7% information technology audits
- 3% other consulting and audit hours

Measure 3 – Audit staff with, or working towards, designations

For 2007-08, four audit staff has accounting/auditing designations while three staff is working toward their designations.

Measure 4 – Number of irregularities

For 2007-08, eight incidents of irregularities were reported and three audit reports dealing with irregularities were issued.

Measure 5 – Percentage of workplan completed

For 2007-2008, 52 per cent of the audits on the annual audit work plan were initiated.

Accounting Services

Measure 1 – Financial system in place, processes transactions and meets expectations

Replacement of the existing financial system is in process and on schedule.

Payments to northern and southern vendors have been in compliance with the current policy requirements of 20 days for northern vendors and 30 days for southern vendors.

Measure 2 – FAM Policies

FAM policies have not been updated as the *Financial Administration Act* revisions and financial system implementation activities have not progressed to the point to enable the work to be undertaken.

Measure 3 – Public Accounts

Public Accounts for 2007-08 were not completed until October 2008. Unforeseen delays were encountered in receiving final statements from Public Agencies that are required to be consolidated into the Public Accounts. This is being addressed with the affected agencies to minimize risk in future years.

Measure 4 – Training

As of October 15, 2008 approximately 85 per cent of targeted staff was trained.

KEY ACTIVITY 4: OFFICE OF THE CHIEF INFORMATION OFFICER

Description

The Office of the Chief Information Officer (OCIO) is the lead for the development of an effective, comprehensive and current strategy for the development, management and use of the government's information resources in a manner that supports the government's strategic business goals and operational needs.

Major Program and Service Initiatives 2009/10

Knowledge Management Strategy (KMS) Renewal

This initiative will result in an updated strategic plan for management of the GNWT's Information Management (IM), Information Systems (IS), and Information Technology (IT) functions. The primary objective of the KMS Renewal project is the economic, efficient and effective use of information technologies to support the GNWT's business goals. Clear links to the GNWT's business needs are fundamental to the effectiveness, value and validity of the Strategy. The project requires a process similar to that taken in 2001 during development of the original Strategy, consulting government-wide to re-visit the existing KMS goals and activities and identify critical gaps that must be addressed over the next 3 to 5 years. These inputs will then be considered against the current technology environment to accommodate and utilize best solutions and industry best practices to serve the GNWT's business needs.

GNWT Security Strategy

The proposed Strategic Security Plan details a series of eleven initiatives, with a 3-5 year implementation schedule, that will improve the security of IM/IS/IT for the GNWT.

Four Year Business Plan Update

Results to Date

- Completed the 2009-10 Capital IM/IS/IT Planning Process resulting in the recommendation of 14 projects across 7 departments totaling $4,912,000, for inclusion in the 2009-10 Capital Plan.
- Developed a Project Charter for the KMS Renewal initiative, for approval by the Informatics Policy Committee.
- Worked closely with the private sector to secure $14 million in federal funding (Infrastructure Canada) for the enhancement of high-speed Internet services in all NWT communities.
- Updated the GNWT management framework for mobile communications devices in preparation for the GNWT rollout of BlackBerry services for eligible employees.
- Represented GNWT at Public Sector CIO Council and Service Delivery Council Meetings.
- Represented GNWT on the national committee for the establishment of a pan-Canadian Identity Management framework.
- Participated in several CRTC-related initiatives.

As a result of the annual IM/IS/IT planning process, and with the cooperation of the participating departments, Public Works and Services' Maintenance Management System is now also being used by Transportation, eliminating the need for duplicate systems. Similar efforts are underway regarding Environment & Natural Resources, and Industry, Tourism and Investment's licensing system (LISIN)

as being of potential use by other departments with similar licensing requirements. The Department of Finance's Treasury Management System (TMIS) will also be replaced by functionality that will be available in the new Financial Information System, once operational.

Measures Reporting

Measure 1 – Security standards implemented

The GNWT's Strategic Security Plan is currently in the review phase (by key stakeholders) and it is anticipated that significant progress in the implementation of the International Standardization Organization (ISO) standards will not occur until 2009-10, in accordance with current planning timeframes.

Measure 2 – GNWT submission to Canadian Radio-Television and Telecommunications Commission (CRTC) regulatory hearings

The GNWT reviewed all CRTC Public Notices, proposals and quarterly filings pertaining to NorthwesTel or NorthwesTel's serving area and formally responded to two Proceedings. The GNWT regularly registers as an interested party to CRTC Proceedings and participates as necessary on items that affect the NWT or the serving area. The GNWT also collaborates with Nunavut and Yukon on pan-territorial responses to CRTC regulatory hearings as appropriate.

Measure 3 – Number of GNWT IS projects that exceed original budget projects

Since the inception of the Four-Year Business Plan (April 1, 2008), no projects have been completed. This information will therefore not be available until the end of the 2008-09 fiscal year.

STRATEGIC INITIATIVE: REFOCUSING GOVERNMENT
Action: Strengthen Service Delivery

Description

Knowledge Management Strategy

The Office of the Chief Information Officer (OCIO) has identified the renewal of the Knowledge Management Strategy (KMS) as a requirement in order for the GNWT to accomplish its goals for IM/IS/IT, and effectively manage its electronic information resources. The cost for this project in 2009-10 will be $300,000 (primarily for contract services) with future years' costs being determined once the strategy update is complete and specific initiatives identified.

Support to Non-government Organizations

Stabilize GNWT support to Non-Government Organizations through the development of a funding policy.

Activity to Date

Knowledge Management Strategy

Development of a Project Charter for the KMS initiative for approval by the Informatics Policy Committee.

Support to Non-government Organizations

In collaboration with the Department of Municipal and Community Affairs, a draft *Program Guide for Managers – Funding for Non-Government Organizations* was developed. This Guide is designed to assist GNWT program managers to develop and manage reasonable and effective contribution agreements when working with Non-Government Organizations to deliver programs and services.

Planned Activities - 2009/10

Knowledge Management Strategy

In 2009-10 the OCIO will issue a Request for Proposals for the acquisition of services necessary to develop a renewed strategy, enterprise architecture, and high-level implementation plan that facilitates the management of all information resources of the GNWT – both electronic and physical – and builds on the work achieved in advancing the current KMS. The primary focus of this strategy will be to further develop the GNWT's ability to effectively and efficiently manage its knowledge and information resources in support of its business goals.

This will be achieved through extensive consultation with key stakeholders, a comprehensive environment scan, and a review of the current state of IT and best-practices for its management and operation. After a thorough analysis of the inputs, the renewed Strategy will be reviewed by the Informatics Policy Council and referred to the Financial Management Board for consideration and approval.

Support to Non-government Organizations

The Guide will be used as a basis to start consultations with relevant stakeholders. It is anticipated that the feedback gained from these consultations can be used to develop a Plain Language summary for use by NGOs and also highlight policy changes that may need to be considered. The consultation is expected to be completed by the end of 2008/09.

Planned Activities – 2010/11 and 2011/12

Knowledge Management Strategy
The activities planned for 2010-11 and 2011-12 will not be known until the Strategy update is completed in mid 2009-10.

Support to Non-government Organizations
Working with the Executive Offices and departments, continued implementation of the NGO funding policy to provide improved relationships and additional support to NGOs used by the GNWT in program and service delivery.

Action: Managing the Cost of Government

Description

Examine current duty travel policy directives to ensure they are clear and usable to properly control, monitor and report on GNWT travel.

Activity to Date

The existing Financial Administration Manual (FAM) policy directives on duty travel were reviewed and proposed changes were drafted to clarify the rules and procedures for employees and for managers approving duty travel.

Planned Activities - 2009/10

The revised FAM policy directives on duty travel will be submitted to the Financial Management Board for approval and implementation.

A new FAM policy directive to introduce proactive disclosure of GNWT travel will be drafted for Financial Management Board approval.

Conduct further analysis on options that would reduce GNWT travel costs and improve travel administration.

Planned Activities – 2010/11 and 2011/12

If a Proactive Disclosure Policy is approved by the Financial Management Board, a process to regularly monitor and report on GNWT travel and associated costs will be implemented.

INFRASTRUCTURE INVESTMENTS

The investment in information systems and management is the only infrastructure investment planned and the Information System and Management Overview section provides details.

Activity to Date

See information system and management overview

Planned Activities - 2009/10

See information system and management overview

Planned Activities – 2010/11 and 2011/12

See information system and management overview

LEGISLATIVE INITIATIVES

Activity to Date

Financial Administration Act

- A Decision Paper to move forward with the legislative proposal is being developed.
- A legislative proposal is being developed with an anticipated completion in mid-December 2008.
- The legislative proposal is forecast to be through the approval process by March 2009.
- Legislative drafting instructions are to be completed by March 2009.

Northern Employee Benefits Services Pension Plan

- A legislative proposal to address interim requirements of the pension plan has been completed and submitted through the legislative review process.
- The legislation is being drafted for introduction during the February 2009 sitting of the Legislative Assembly.

Tax Legislation

The Department typically amends legislation in order to implement any tax initiatives in the annual territorial budget. These initiatives generally cannot be known in advance. Amendments to NWT tax legislation may be proposed following the planned consultation on revenues. A revenue options consultation process was undertaken in September 2008 with feedback requested from the participants.

Planned Activities - 2009/10

Financial Administration Act

Drafting of the legislation is projected to be complete by March 2010 and available for introduction to the Legislative Assembly thereafter along with new or amended regulations.

Northern Employee Benefits Services Pension Plan

To be determined.

Tax Legislation

Legislation may be required to implement tax measures associated with the 2009-10 budget.

Planned Activities – 2010/11 and 2011/12

Tax Legislation

Legislation may be required to implement tax measures associated with the 2010-11 budget.

HUMAN RESOURCE OVERVIEW

Overall Human Resource Statistics

All Employees - Consolidated Finance

All Employees

	2008	%	2007	%	2006	%
Total	97	100%	109	100%	102	100%
Indigenous Employees	47	48%	49	45%	48	47%
Aboriginal	23	24%	24	22%	26	25%
Non-Aboriginal	24	25%	25	23%	22	22%
Non-Indigenous Employees	50	52%	60	55%	54	53%

Note: Information as of March 31 each year.

Senior Management Employees

	2008	%	2007	%	2006	%
Total	13	100%	12	100%	15	100%
Indigenous Employees	5	38%	5	42%	6	40%
Aboriginal	1	8%	1	8%	3	20%
Non-Aboriginal	4	31%	4	33%	3	20%
Non-Indigenous Employees	8	62%	7	58%	9	60%
Male	10	77%	10	83%	12	80%
Female	3	23%	2	17%	3	20%

Note: Information as of March 31 each year.

Non-Traditional Occupations

	2008	%	2007	%	2006	%
Total	11	100%	10	100%	4	100%
Female	2	18%	4	40%	1	25%
Male	9	82%	6	60%	3	75%

Note: Information as of March 31 each year.

Employees with Disabilities

	2008	%	2007	%	2006	%
Total	97	100%	109	100%	102	100%
Employees with Disabilities	1	1%	1	1%	1	1%
Other	96	99%	108	99%	101	99%

Note: Information as of March 31 each year.

Position Reconciliation

This information differs from the employee information on the preceding page. Employee information reflects actual employees on March 31 of each year, and the information presented below reflects position expenditures approved through the budget process for each fiscal year.

Active Positions

Summary:

	2008-09 Main Estimates	Change	2009-10 Business Plan
Total	101	6	107
Indeterminate full-time	101	6	107
Indeterminate part-time	-	-	-
Seasonal	-	-	-
Liquor Revolving Fund	13	-	13

Adjustments approved through Business Planning Process:

Position	Community	Region	Added/ Deleted	Explanation
Note 1	Yellowknife	HQ	(1)	FMBS/Finance Amalgamation.
Note 2	Yellowknife	HQ	(2)	Responsibility for Program Evaluation transferred to the Department of the Executive.
Note 3	Yellowknife	HQ	7	Financial shared services transferred from the Department of the Executive.
Note 4	Yellowknife	HQ	3	Resources to support new finanical information system.
Note 5	Yellowknife	HQ	(1)	Two year term concluded.

Adjustments approved through Target reductions:

Other Positions

Summary:

	2008-09 Main Estimates	Change	2009-10 Business Plan
Total	-	-	-
Indeterminate full-time	-	-	-
Indeterminate part-time	-	-	-
Seasonal	-	-	-

FINANCE

Notes				
Position	Community	Region	Added/ Deleted	Explanation
Note 1				
Deputy Minister	Yellowknife	HQ	(1)	FMBS/Finance Amalgamation
Secretary	Yellowknife	HQ	(1)	FMBS/Finance Amalgamation
Director, Policy	Yellowknife	HQ	(1)	FMBS/Finance Amalgamation
Assistant Deputy Minister	Yellowknife	HQ	2	FMBS/Finance Amalgamation
Note 2				
Program Advisor	Yellowknife	HQ	(2)	Responsibility for Program Evaluation transferred to the Department of the Executive
Note 3				
Manager, Financial Operations	Yellowknife	HQ	1	Financial shared services transferred from the Department of the Executive
Accounting Officer	Yellowknife	HQ	1	Financial shared services transferred from the Department of the Executive
Accounts Payable Clerk	Yellowknife	HQ	1	Financial shared services transferred from the Department of the Executive
Finanical Control Officer	Yellowknife	HQ	2	Financial shared services transferred from the Department of the Executive
Finance and Administration Clerk	Yellowknife	HQ	2	Financial shared services transferred from the Department of the Executive
Note 4				
Financial Systems Analysts	Yellowknife	HQ	3	Resources to support new finanical information system
Note 5				
Tax Auditor	Yellowknife	HQ	(1)	Two year term concluded

Other Human Resource Information

One of the stated priorities of the Legislative Assembly is to "improve human resource management within the GNWT through training, career planning, and encouraging innovation by employees." To address this priority, the Department of Human Resources is leading the development of a Corporate Human Resource Strategy for the Northwest Territories Public Service. The completion of this overall strategy will provide a framework for the development of departmental human resource plans and initiatives, including the development of succession plans and affirmative action plans. This work will be undertaken during the 2009-2010 fiscal year and will ensure a consistent and coordinated approach across government, providing equitable opportunities for all staff.

Human Resource Activities

An overview of human resource activities during the year such as transfer assignments, interns and summer students, including affirmative action status, is included in the following schedule.

2008	Summer Students	%	Interns	%	Transfer Assignments	%
Total	12	100%	3	100%	10	100%
Indigenous Employees	11	92%	1	33%	6	60%
Aboriginal	1	8%	-	0%	5	50%
Non-Aboriginal	10	83%	1	33%	1	10%
Non-Indigenous Employees	1	8%	2	67%	4	40%

Note: Information as of September 30, 2008.

Activities Associated with Staff Training & Development

The Department allocates financial resources and identifies training and development opportunities for employees to demonstrate its commitment to the professional growth of staff.

INFORMATION SYSTEM & MANAGEMENT OVERVIEW

Overview

Financial Information System

Formal planning for the replacement of the existing financial information system (FIS) began in 2003 with the establishment of a three-phase project:

- Phase I was completed in December 2003 and undertook a high level assessment of the GNWT's business requirements;
- Phase II was completed in July 2007 and resulted in the identification and selection of a specific system solution to meet the GNWT's business needs; and
- Phase III of the project is the implementation. This phase requires a System Implementer (SI) to assist in the project implementation. The SI Partner will provide implementation assistance and support in a variety of areas ranging from:
    - system design, development and configuration;
    - system specific functional and technical expertise;
    - change management; system testing and quality assurance;
    - user training and knowledge transfer;
    - old system data conversion; and
    - post implementation operational support.

A dedicated FIS implementation project team, comprised of both internal GNWT staff and external-consulting resources has been established. As many as twelve staff members, an equal number of external consulting resources and a network of departmental subject matter experts will be required during various aspects of business processes redesign, system build, system testing and operational implementation of the new Enterprise Resource Planning system.

Document Management

The Office of the CIO (OCIO) is the sponsor for the Business Requirements Analysis phase of a GNWT-wide document management project. The OCIO will remain Project Sponsor until this phase is completed and a software solution is identified for piloting to 3-4 departments in 2009-10. At that time, a GNWT Department will be identified to provide ongoing support, operations, and maintenance.

The Business Requirements Analysis phase involves all departments and includes gathering and analyzing requirements with respect to the management of our electronic media (e.g. email, documents, spreadsheets and various other electronic files and media). This Phase will be funded through O&M contributions from all departments ($84,000 total) and will be completed in 2008-09.

Security

The Strategic Security Plan is designed to bring GNWT IT/IS assets into a well-managed security situation. The ultimate goals of the Plan are to: protect electronic information assets; move from reactive security application to a proactively planned implementation; meet departmental security requirements, allow for future enhancements, and accommodate change; meet legislative and contractual requirements; withstand scrutiny of both internal and external audits; and implement cost-effective and justifiable security controls.

Planned Activities – 2009/10

Financial Information System

Plans for the Oracle PeopleSoft Financials system have been developed based on a single phased deployment of system capabilities or functionality. During 2009-10 the FIS project team will complete all development, testing and implementation activities. User training will be critical part of this implementation, and this will occur prior to the system being activated. In addition, post implementation support activities will occur to identify and correct any problems that may arise. Implementation is scheduled for the summer of 2009.

Document Management

The GNWT will select and begin implementing a software solution for managing electronic documents across 3-4 departments during 2009-10. Remaining departments will be phased in over a 2 year period, bringing 3 or more departments online per year with a target implementation timeframe of 3 years. Initial pilot and rollout is favored towards departments that already have their records classification structures (ARCS and ORCS) in place. Departmental sequencing will be finalized once the Requirements Analysis is complete.

Security

Asset Discovery Software purchased during 2009-10. Asset Discovery software searches the GNWT network and identifies all attached devices (computers, servers, network equipment, etc.). It automatically captures information such as the operating system of the device, basic network settings and software versions and checks for unexpected changes. This ensures that unknown and/or unauthorized devices have not been attached and that all devices are identified protected, monitored and managed.

Planned Activities – 2010/11 and 2011/12

Financial Information System

There are no development planned activities planned beyond 2009-10. After implementation there will be ongoing support activities to ensure the system continues reliable operations.

Document Management

In 2010-11 the goal is to bring on another 4-5 departments, thereby leveraging experience from the initial rollout of 3-4 departments in 2009-10.

In 2011-12 the plan is to bring all remaining departments online.

Security

Event and Log Monitoring Software will be purchased in 2010-11. This software gathers, and is used to correlate, all security-related events such as attempts to hack into systems. It also traces the path that an attacker has followed in case of a successful hack. It helps identify inappropriate Internet usage including music and picture sharing and the possible use of GNWT resources to support personal businesses. This is the central repository for all evidence of security events.

Intrusion Detection/Prevention Hardware and Software and Configuration Monitoring Hardware and Software will be acquired in 2010-11. Intrusion Detection/Prevention hardware and software notifies administrators of suspicious network activity. This allows for the active detection and prevention of network attacks. Configuration Monitoring hardware and software notifies administrators when a change has occurred on a server. This commonly protects against web site defacement.